

# Fiscal Note

*Fiscal Services Division*



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**HF 2430** – Hunger Income Tax Check off (LSB 5872YH)  
Analyst: Jeff Robinson (Phone: (515) 281-4614) ([jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov))  
Fiscal Note Version – New

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## **Description**

**House File 2430** provides for a new Iowa income tax check off. Individual income taxpayers will be allowed to contribute money through their income tax form to a new Iowa Check Off Hunger Fund.

The new Fund would be under the control of the Iowa Department on Aging. This Bill directs how the contributions will be utilized.

This Bill excludes the new check off from the four check off limit provided in [Iowa Code section 422.12E](#) and the new check off is not included in the provisions requiring the elimination every two years of the two lowest-generating tax check offs.

## **Background**

Iowa currently allows no more than four voluntary contribution check offs, plus the political check off, on the individual income tax form at any one time. There is a provision in place that provides that every two years the two existing check offs with the lowest contribution yield are repealed. For tax year 2013, the four check offs are:

- Fish and Wildlife
- State Fair
- Volunteer Firefighters/Veterans Trust Fund
- Child Abuse Prevention

## **Fiscal Impact**

The new income tax check off to support hunger programs is voluntary and the willingness of Iowa taxpayers to contribute to the programs using this method cannot be estimated. Contribution totals for the four current check offs totaled \$327,000 for tax year 2012, with the highest check off receiving \$134,000 and the lowest \$63,000. The introduction of a fifth check off could reduce the contributions received by any other check off on the tax form for that tax year.

The Department of Revenue notes that increasing the number of check offs on the Iowa tax form will create an administrative expense in the initial year of \$172,000. Most of the identified cost will be in the form of staff time diverted from other Department functions.

## **Source**

Department of Revenue

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/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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